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CHANGES IN EMPLOYMENT AND UNEMPLOYMENT
SINCE THE OUTBREAK OF WAR.

The following statement summarises the changes in the employment and unemployment position in the six States from August, 1939 to November, 1940.

In interpreting these changes the following considerations should be kept in view:-

- (a) There is an unavoidable element of estimation in some of the figures used.
- (b) The figures showing changes in employment are in general more comprehensive and dependable than those showing changes in unemployment. The unemployment registrations understate considerably the actual number of persons unemployed under pre-war conditions, but in November of last year such understatement is considerably less.
- (c) Employment can, and frequently does, increase without a corresponding decrease in unemployment. This has been important in the period from August, 1939 to November, 1940 since expanding requirements for labour have been met to some extent from additions to the total supply of wage or salary earners.
- (d) Normal seasonal variations affect the comparison of the position in August, 1939 with that of November, 1940.
- (e) Allowance must be made for the effect of enlistments upon -
 - (i) the number of wage or salary earners available for employment in normal activities;
 - (ii) the changes in unemployment indicated by the Trade Union percentages and the Labour Exchange registrations.
- (f) Because of the policy of selective recruiting by reference to the list of Reserved Occupations, the effect of enlistments upon the figures recorded for different fields of employment may, at least for some time, be unequal.

TOTAL EMPLOYMENT.

Australia: The estimated total number of wage or salary earners in employment in normal activities in August, 1939 was 2,113,800 and in November, 1940 2,233,400, an increase of 119,600 or 5.7 per cent. Total employment increased progressively during the first six months after the outbreak of war, except for the sharp seasonal rise from 2,178,500 in November to 2,216,000 in December, and the drop to 2,180,000 in January. The total reached 2,193,400 in March, representing an increase of 79,600, or 3.8 per cent. over August, 1939. Whilst the normal seasonal influences have operated during the period since the outbreak of war, there is much evidence to suggest that other factors were responsible for the greater part of the increase. The net decreases from March to April and April to May are partly to be accounted for in some States by the seasonal factor. But another important factor accounting for the net decreases in April and May, however, was the coal strike, which affected normal employment adversely in a number of industries apart from the coal industry itself. It should be noted that the figures of employment include about 890

Excluding the Territories for which estimates are not yet available.

890 mine-workers on strike in New South Wales in February and about 14,000 in March, April and May. Total employment, however, has expanded considerably since last May (principally in New South Wales, Victoria and Queensland), and the net increase of about 76,000 from May to November might be partly attributed to the improvement following the settlement of the coal strike and seasonal recovery, particularly in Queensland.

The increase in employment shown in Table A.I. is all the more noteworthy since, in general, enlistments are not included in the figures. From data confidentially supplied it is estimated that, from the outbreak of war until the end of November, about 182,900 men enlisted in the various Defence Services. It is not yet possible to say how many of these men were in the wage or salary earning group at the time of their enlistment. At the Census of 1933, 77.34 per cent. of the male population aged 20 to 39 were wage or salary earners. This percentage applied to men enlisting during the present war would probably understate the number who were wage or salary earners. During the early stages of the war of 1914-1918 the proportion of wage or salary earners in total enlistments was estimated to be 90 per cent. It may be assumed that the percentage who have enlisted to date lies between 80% and 90%. Assuming that 90 per cent. of the enlistments, i.e. about 164,600 were of men in the wage or salary earning class, and that relatively few of these are included in the figures of Table A.I., the total increase in all employment (including Defence Services as well as normal economic activities) from August 1939 to November 1940 can be estimated roughly at about 284,200 or 13.4 per cent. of the numbers employed in August, 1939.

It is not possible to estimate from existing data how far these jobs have been filled respectively from (a) registered unemployed, (b) unregistered unemployed (largely skilled and semi-skilled men who usually do not take advantage of the services of the Labour Exchanges), (c) a net flow of women and girls into industry, (d) acceleration in the rate of school-leaving by boys, (e) older men and married women returning to former employment, (f) ex-employers and ex-working proprietors in certain vocations affected adversely by the war (e.g. import trades, building trades, etc.), (g) normal natural increase of the wage or salary earning group available for employment (approximately 45,000 young persons not eligible for enlistment in the period from August, 1939 to November, 1940). The evidence of the figures suggests strongly that most of the jobs have been filled from persons unemployed but not necessarily registered as unemployed.

The States: Proportionately to the numbers estimated to be in employment in August, 1939, the increases in the States were very unequal. Western Australia showed a slight decrease during the period, August 1939 to November, 1940. The seasonal factor was largely responsible for the changes throughout this period in Queensland and Tasmania, but in other States, particularly Victoria and New South Wales, the increase in employment has been well maintained. Compared with the pre-war month of August 1939, the latest figures for the two latter States represent increases of 9 per cent. and 6 per cent. respectively.

The distribution, by States, of the increase in employment from August 1939 to November 1940 in normal activities and, by State of enlistment, of enlistments of wage or salary earners (assuming nine-tenths of all enlistments in all States were of wage or salary earners) from August 1939 to the dates mentioned was approximately as follows:-

State	Employment (to Mid- November 1940)	Enlistments to end of November, 1940 (a)	Approximate Total Increases
New South Wales ..	+ 48,940	+ 56,560(b)	+ 105,500
Victoria ..	+ 53,900	+ 49,160	+ 103,060
Queensland ..	+ 3,600	+ 21,000	+ 24,600
South Australia ..	+ 12,280	+ 15,460	+ 27,740
Western Australia	- 3,450	+ 15,580	+ 12,130
Tasmania ..	+ 4,280	+ 6,120	+ 10,400
Northern Territory	-	+ 720	+ 720
AUSTRALIA:	+ 119,550	+ 164,600	+ 284,150

(a) As at 30th November, 1940. (b) Including Australian Capital Territory./In

This 182,900 was made up as follows:- Military Personnel, 146,000; R.A.A.F., 27,160; R.A.Navy, 9,720. On 31st December total enlistments were approximately 187,900, made up as follows:- Military Personnel, 149,550; R.A.A.F., 28,660; R.A.Navy, 9,720.

In August, 1939, approximately 80 per cent. of estimated total employment in normal activities was in the private field and 20 per cent. in the governmental field (including Government business undertakings, public works, etc.). Of the net increase of 105,000 from August, 1939 to October, 1940, about 99,460 additional persons were directly employed by private employers and about 5,540 additional persons were directly employed by public authorities. The net increase in total employment from August 1939 to November 1940, however, was 119,600. Of this net increase, about 110,800 additional persons were directly employed by private employers and about 8,800 additional persons were directly employed by public authorities. The net increase of about 14,600 in employment from last October to November for Australia as a whole was, therefore, mostly in the private field. The net decrease in Governmental employment from June to November is accounted for by large decreases in both State and Local Government employment. The net decrease in State Government employment is almost entirely due to the fall in Victoria where employment in this category fell by about 4,900 (See Tables A.V. and V.II. for further details).

The main features in the absorption of additional numbers since August, 1939 in both private and governmental fields are outlined below. It should be kept in mind that men enlisted for war services are in general not included in the figures either for private employment or for governmental employment; nor are part-time relief workers included in the latter.

PRIVATE EMPLOYMENT.

Of the net increase from mid-August, 1939 to mid-October, 1940 of about 99,460 in direct employment by private employers throughout Australia, it is estimated that the net increase in manufacturing amounted to about 57,400, or 58 per cent., (although Government factories account for at least 1,930 of this increase), and in retail trade to about 2,520, or 2.5 per cent. Of the net increase from mid-August 1939 to mid-November 1940 of about 110,800 in direct employment by private employers throughout Australia, it is estimated that the net increase in manufacturing amounted to about 62,240, or 56 per cent., (Government factories accounting for at least 2,960 of this increase), and in retail trade to about 9,100, or 8.2 per cent. The balance of each increase, viz. about 41,470 from mid-August 1939 to mid-October 1940 (allowing for duplication of Government factories) and 42,420 from mid-August 1939 to mid-November 1940, is a net figure for remaining fields of employment.

It is not possible to measure the extent of the increases and decreases in these remaining fields for Australia as a whole. Some indication may be obtained by examining the general direction of changes in all fields in New South Wales. Manufacturing employment in New South Wales showed a net increase of 24,245 from August, 1939 to November, 1940, despite the setback of the coal strike which reduced manufacturing employment during April and May to the level of the previous August. In the field of retail trade (including restaurants) there was a net increase of 3,170 for the period from August, 1939 to November, 1940. Most of the balance of the net increase in the private field, viz., 24,484 over the period August, 1939 to November, 1940, is accounted for by increases in offices and commerce, wholesale trade, coal mining, rural industries and other miscellaneous activities, less decreases in building and construction, mining other than coal, transport and amusements. The figures for coal mining include the numbers on strike during May of last year.

The net increase of 24,245 from August, 1939 to November, 1940, in manufacturing was accounted for mainly by the heavy net increases in the metal working and engineering and textile industries. Smaller increases were shown for the chemicals, food and drink, skins and leather, clothing and other miscellaneous fields, and slight decreases in non-metal mine products, paper and printing, rubber, heat, light and power and wood-working. The net increase of 2,500 in manufacturing from October to November was accounted for principally by the metal working and engineering trades, in which employment reached a new high level since the outbreak of the war. Substantial increases were also shown in the food and drink, chemical and textile industries.

EMPLOYMENT BY PUBLIC AUTHORITIES.

The figures of employment by Public Authorities (Tables A.V, N.V, N.VI, V.II, Q.II, S.II, W.II and T.II) exclude persons enlisted for war service and part-time relief workers.

From August, 1939 to November, 1940 total employment by Public Authorities in Australia increased from 408,242 to 417,044, i.e. by 8,802. This was a net increase. Direct employment by the Commonwealth Government increased by about 20,407. Direct employment by the State Governments and Semi-Governmental bodies decreased, /however,

however, by 1,049 and 1,388 respectively and employment by Local Government authorities by about 9,168.

The following table shows the increases or decreases in the four types of Public Authority employment in each State:-

DIRECT EMPLOYMENT BY PUBLIC AUTHORITIES.

Changes from August, 1939 to November, 1940.

State	Commonwealth Government	State Government	Semi-Government	Local Government
New South Wales ..	+ 5,967	+ 3,760(a)	- 1,407	- 2,287
Victoria(c) ..	+ 12,247	- 3,030(b)	- 264(b)	- 1,263
Queensland ..	+ 490	- 940	- 30	- 3,916
South Australia ..	+ 1,040	+ 1,344	- 15	- 1,027
Western Australia ..	+ 486	- 1,384	- 159	- 510
Tasmania ..	+ 177	- 799	+ 487	- 165
Total:	+ 20,407	- 1,049	- 1,388	- 9,168

(a) Including Commonwealth Defence Works under State supervision.

(b) Approximate. Geelong Harbour Trust now included under State Government instead of Semi-Governmental as previously.

(c) Victorian figures are approximate. October and November figures are not yet available.

In Table N.VI particulars are included for New South Wales of the numbers of State and Semi-Governmental employees engaged on works financed from (a) revenue sources and (b) loan expenditure. The figures in this table exclude part-time relief workers. From August, 1939 to November, 1940 direct State Government employment on revenue account increased from 86,195 to 89,605 or by 3,410, and on loan account (principal departments) it decreased from 8,041 to 5,937, or by 2,104. Semi-Governmental employment on revenue account increased from 6,267 to 6,459, or by 192, and on loan account (Metropolitan Water, Sewerage and Drainage Board and Hunter District Water Board) decreased from 6,337 to 4,717, or by 1,620. Total employment on revenue account for State Government and Semi-Governmental authorities together increased from 92,462 to 96,064, or by 3,602, and total employment on loan account (principal bodies only) decreased from 14,378 to 10,654, or by 3,724.

CHANGES IN UNEMPLOYMENT.

Neither quarterly percentages of unemployment in reporting trade unions nor unemployment registrations of the State Labour Exchanges afford a measure of total unemployment (see Supplementary Notes to Table A.VIII, and A.IX with Issue No. 9). Quite apart from the fact that they do not include unemployed persons who do not register, the registration figures shown in Table A.X are not strictly comparable between States, partly because of differences in conditions and methods of registration in the several States, and partly because the figures refer variously to adult males, males, persons or other combinations of sex and age. The inclusion of those engaged on part-time relief work or working for sustenance is necessary in order to achieve a greater degree of comparability. Full-time relief workers are not included.

The trade union unemployment percentages and the registered unemployed reflect in part the changes in employment in normal activities, and in part the effect of enlistments for war service. But they do not indicate the extent to which unemployment as a whole has been affected by the changing demands for labour in industry and war service.

Trade Union Unemployment. The unemployment percentages for the reporting unions in the States and Australia are shown in Table A.VIII. From the September Quarter of 1939 to the December Quarter of 1940 (i.e. from mid-August, 1939 to mid-November, 1940), the percentage for Australia decreased from 10.2 to 6.2. The number of unemployed in the membership of the reporting unions decreased from 48,888 to 31,491, or by 17,397, while the membership itself increased from 478,000 to 508,914, or by 30,914. From mid-May, 1940 to mid-November, 1940 the percentage for Australia decreased from 10.5 to 6.2 and the unemployed from 49,775 to 31,491.

In New South Wales, from mid-August 1939 to mid-November 1940, the percentage decreased from 11.6 to 8.5. In Victoria the percentage decreased from 11.2 to 4.3; in Queensland from 5.8 to 4.5; in South Australia from 9.4 to 4.7; and in Western Australia and Tasmania there were decreases from 8.2 to 4.0 and from 8.3 to 6.5, respectively. The magnitudes of the percentages for each State cannot be taken even as a rough measure of the relative degree of total unemployment in the several States. Except for Western Australia, the direction of change in unemployment among reporting unions was, however, in substantial conformity with the direction of change in estimated total employment in normal activities. The large increase in the percentage for Australia and for New South Wales from mid-February to mid-May of 1940 is chiefly due to the coal strike.

Table A.IX shows the Trade Union unemployment percentages in the principal industrial groups. Over the period, August 1939 to November 1940, substantial decreases in unemployment among the trade unionists concerned occurred in I. Wood, Furniture, etc.; II. Engineering, Metal Works, etc.; IV. Clothing, Hats, Boots, etc.; less substantial decreases occurred in III. Food, Drink, Tobacco, etc.; V. Books, Printing etc.; VI. Other Manufacturing; VII. Building; VIII. Mining, Quarrying, etc., and other miscellaneous industries. Unemployment among trade unionists in Class X. Land transport other than railway and tramway services, remained steady at 8.7 per cent.

Unemployment Registrations. Table A.X. shows the numbers of unemployed registered at the State Labour Exchanges. The figures in this table should not be used to compare total unemployment as between one State and another. There is reason to believe that the proportion of registered to total unemployed differs considerably from State to State. The proportion of the total unemployed who register is known to be much higher in Queensland than in other States, since registration is a condition precedent to the claiming of benefit under the Queensland Unemployment Insurance Scheme which covers all employment to which State awards apply, certain employment not covered by State awards, and certain employment covered by Commonwealth awards. Total registrations decreased from 114,593 in August, 1939 to 66,132 in November 1940, i.e. by 48,461. With the exception of Queensland there was a substantial decrease in every State during this period. Registrations decreased in New South Wales from 52,851 to 29,469 (a) i.e. by 23,382; Victoria, from 21,938 to 6,351 (a), i.e. by 15,587; Queensland, from 22,406 to 22,026 (a), i.e. by 380; South Australia, from 8,859 to 4,413 (a), i.e. by 4,446; Western Australia, (for which the figures may contain some duplication), from about 6,170 to about 3,546 i.e. by about 2,624; and Tasmania, from 2,369 to about 559 (a) i.e. by about 1,810. Compared with the previous month of October there was a slight increase in the total number of registrations in November and this was mainly due to the increased registrations in Queensland where the normal seasonal decline in rural industries accounts for a large number of temporarily unemployed men. Further increases in the registered unemployed in Queensland may be expected during December and January when seasonal activity is comparatively low. Registrations continued to fall during November, however, in New South Wales, Victoria and Western Australia.

Unemployment Registrations by Localities. Tables N.VII, V.III, Q.III, Q.V, S.III, W.III and T.III show unemployment registrations by principal localities. The table below shows for each State the changes in the numbers of registrations at (a) Metropolitan Exchanges, (b) Exchanges in the principal provincial towns, and (c) Exchanges in the rest of the State.

UNEMPLOYMENT REGISTRATIONS BY LOCALITIES
Changes from August, 1939 to November, 1940.

State	Metro-politan	Provincial Towns	Rest of State	Whole State
New South Wales ..		Broken Hill, Lithgow, Maitland, Newcastle, Wollongong - 4,171	- 5,036	-23,382
Victoria ..	- 9,329	Ballarat, Bendigo, Geelong, Mildura, Warrnambool, Wonthaggi - 2,189	- 4,069	-15,587
Queensland ..	- 1,971	Ipswich, Rockhampton, Townsville - 294	+ 1,885	- 380
South Australia ..	- 3,421	Moonta, Kadina, Murray Bridge, Gawler, Port Pirie, Mt. Gambier - 288	- 737	- 4,446
Western Australia *	- 653	Fremantle, Goldfields - 227	- 18	- 898
Tasmania ..	- 497	Launceston - 220	- 1,093	- 1,810
TOTAL:	-30,046	- 7,389	- 9,068	-46,503

(a) Registrations for December are as follows:-

New South Wales, 28,741; Victoria, 6,065; Queensland, 28,384; South Australia, 3,707; Tasmania, 308 (excluding rural registrations).

- * State Labour Exchange only, i.e. excluding numbers on Relief Work and Sustenance Record Card Index of Department of Employment.
- † This decrease does not correspond to the decrease of 48,461 referred to in the text because for Western Australia the changes by localities apply only to the registrations at the Labour Exchange proper.

There was a substantial reduction (about 30,000) in unemployment registrations in metropolitan areas from August 1939 to November 1940. Relatively to the numbers on the registers in metropolitan areas in August 1939, the decrease in Melbourne (from 12,083 to 2,754) was more marked than the decrease in Sydney (from 30,392 to 16,817).

Compared with August 1939 registrations in November in the principal provincial towns showed substantial decreases in all States. The largest decreases were 4,171 in New South Wales and 2,189 in Victoria. Registrations also decreased in many of the provincial towns of New South Wales and Victoria between October and November, but the decreases were only slight. In areas outside the metropolitan and the principal provincial towns there was a net decrease from August 1939 to November 1940 of 9,068. This net decrease is accounted for largely by the decreased registrations in New South Wales and Victoria, where the decreases were 5,036 and 4,069 respectively. With improving seasonal conditions for employment in Queensland between the end of January and the end of October, total registrations decreased by 17,675, but the November registrations showed an increase of 3,900 over the previous month. This increase is mainly due to seasonal workers many of whom are temporarily out of work during the quiet period in the rural industries, and during the next two or three months when seasonal activity is lowest in the rural areas of Queensland the registrations are likely to increase still further.

Unemployment Registrations according to Trade or Occupation. Tables V.IV, Q.IV, Q.V. S.IV and T.IV show for Victoria, Queensland, South Australia and Tasmania respectively, Labour Exchange unemployment registrations classified according to trade or occupation. The limited significance of the figures in these tables should be kept in mind. In the first place they are classified only into broad categories of usual industry, trade or occupation, and the classification must frequently be based on the unsupported claims of the persons registering. The majority of those who register are classed as general labourers. The proportions of the total represented by general labourers in recent months were - Victoria (metropolitan) 63 per cent., Queensland 61 per cent., South Australia 83 per cent., Tasmania 90 per cent. (The proportion for New South Wales was probably 80 per cent. and for Western Australia 75 per cent.). The classifications at present used in the table for persons other than general labourers do not give a comprehensive view of the trends in unemployment among persons of particular skills. Even if a purely occupational classification common to all States were adopted, the figures would still be of doubtful utility for this purpose, since large numbers of skilled and semi-skilled workers apparently do not register for employment at the Exchanges. Also, many registering as labourers may have occupational skills.

The conclusions to be drawn from the figures given in Tables V.IV, Q.IV, S.IV and T.IV may be summarised as follows:-

Between August 1939 and November 1940 there was a large decrease in the registrations of general labourers in Victoria, South Australia and Tasmania (a), and Queensland showed a slight decrease. The November registrations for Victoria showed a substantial decrease in this class compared with the previous month of October, but the Queensland registrations showed a considerable increase between the two months.

For persons whose usual occupations are associated with the following industries, trades or services, the movement in registrations between August 1939 and November 1940 was as follows:-

Wood, furniture, saw-mills, timber works etc.: Decreases in Victoria, Tasmania, and South Australia (not shown for Queensland).

Engineering, metals etc.: Large decreases in Victoria and South Australia, decreases in Queensland and Tasmania.

Food, drink, tobacco: Large decrease in Victoria, decreases in Queensland and Tasmania. No registrations in South Australia.

/Clothing,

however, by 1,049 and 1,388 respectively and employment by Local Government authorities by about 9,168.

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